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# FOREIGN POLICY BULLETIN

*An interpretation of current international events by the Research Staff of the Foreign Policy Association*

FOREIGN POLICY ASSOCIATION, Incorporated

22 East 38th Street, New York 16, N. Y.

VOL. XXVI, No. 49

SEPTEMBER 19, 1947

## DOMESTIC ISSUES COMPLICATE ACTION ON MARSHALL PLAN

CORRESPONDENTS aboard the *U.S.S. Missouri*, on which the President is returning from his official visit to Brazil, reported on September 12 that Mr. Truman remains unconvinced regarding the need or feasibility of a special session of Congress to deal with the mounting economic crisis in Europe. The President, however, has not reached a final decision, which awaits his arrival in Washington when he will receive a full report from Secretary of State Marshall. Two days earlier, Mr. Marshall issued a statement in which he warned that Europe must have aid now "to meet the immediate threat of intolerable hunger and cold." President Truman, he said, has been kept fully informed. If the proposed relief program is to be effective, Marshall added, Congress must act before the end of the year, for the Administration does not now have the authority or funds to meet the emergency.

THE COMPLEXITIES OF FOREIGN AID. It is clear that the Secretary of State strongly favors a special session. There is increasing evidence, moreover, that Congress shares his view that Europe faces a social-economic collapse which would have an adverse effect on our foreign policy aims, and this country therefore must soon decide what it can and will do to avert such a contingency. Mr. Truman's inclination not to act hastily in recalling Congress, however, is undoubtedly influenced by his awareness of the political issues at stake. On the domestic front recent weeks have witnessed a portentous economic change. Food prices have soared above the previous peak of June 1920. Consumers are protesting vigorously, and were Congress to meet soon, it is probable that the issue of European relief would be submerged in a lengthy debate concerning the domestic economy.

But even had there been no such price rise as is

now taking place, enactment of a foreign aid program would be time-consuming—for example, 186 days elapsed before the Greek-Turkish measure was adopted. In his statement on Europe's needs, Secretary Marshall emphasized that the aid plan should be in two phases—"some form of interim assistance" this year, and subsequent grants for long-term rehabilitation. It is feared, however, that a special session called to approve an emergency program might postpone consideration of the problems of long-range help for the war-ravaged nations. Given the upward surge of prices, it is most likely that every aspect of foreign aid would be probed. Two critical questions—further legislative controls to ensure the supplies that Europe needs, and the necessity of rationing for the same reason as well as to curb inflation—would evoke extended debate. The Administration is also concerned lest the public attribute high food prices to exports. In a radio address on September 12, Secretary of Commerce W. Averell Harriman contended that a record domestic demand—not increased exports—was the primary

*The General Assembly of the United Nations will open its second session at Lake Success on September 16. What have been the major accomplishments of the UN during the first two years of its existence? What are its weaknesses, and how can they be corrected? READ*

THE UNITED NATIONS: ITS RECORD OF ACHIEVEMENT, by Leland M. Goodrich, Professor of Political Science, Brown University

25 cents

September 15 issue of FOREIGN POLICY REPORTS  
REPORTS are issued on the 1st and 15th of each month.  
Subscription \$5; to F.P.A. members, \$4.

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cause of the price spiral. On September 11 he admitted that "there will have to be a certain amount of government supervision" to minimize the effect of foreign aid on our economy.

**GOLD AND LEND-LEASE.** Realizing that the economic situation grows increasingly perilous, and that the United States may not act promptly to provide stop-gap assistance, British leaders are exploring every possible source of relief. In an address before the annual Trades Union Congress in Southport on September 3, Foreign Minister Bevin, proposed that the United States "redistribute" its gold stock to finance world recovery. His proposal, which was more of an *obiter dictum* than a reasoned argument, was considered both ill-informed and ill-advised by Washington. Later, speaking in London on September 10, Mr. Bevin offered as an alternative plan the suggestion that peacetime lend-lease aid be given Europe, which is what Administration policy-makers may recommend in working out the financial provisions of the Marshall proposal.

In the long run, however, if there is to be a prosperous world economy, the gold problem cited by Mr. Bevin must be solved—or rather the underlying conditions of which the inordinate share of gold held by this country is merely a symbol must be corrected. The almost constant inflow of the metal into the United States since 1919 is the result largely of (1) a productive capacity here which has no counterpart elsewhere, and (2) the fact in the late thirties there was a vast flight of capital from Europe seeking refuge in New York. During the two years before lend-lease, gold came here in payment for war supplies; since V-E Day, Europe has drawn on its reserves to finance recovery. As of August 20, 1947, the net addition to our monetary gold stock since 1939 was \$8 billion.

## EUROPE SEEKS MIDDLE WAY BETWEEN EXTREMES OF RIGHT AND LEFT

The UN General Assembly which gathered at Flushing Meadow on September 16 for its second session promises to be of peculiar importance for a world sharply divided by ideological conflicts so far unresolved in the Security Council dominated, as it is, by the veto-wielding great powers. Secretary of State Marshall emphasized this point in his address of September 14, at a meeting opening the nationwide observance of United Nations Week, when he said: "The General Assembly is the forum in which this skepticism (about the future of the UN) must be forestalled and the forum in which our disagreements must be resolved. The great moral and political forces of the world must somehow be brought to bear with full effect through the General Assembly."

**POLITICAL TRENDS IN EUROPE.** The possibility of open discussion in the General Assembly

**EUROPE AND THE WORLD BANK.** Such aid as the International Monetary Fund and Bank can give Europe in meeting the economic crisis is likely to be limited. When these institutions were created at Bretton Woods in July 1944, it was expected that the post-war emergency would be short-lived. Addressing the second annual meeting of the Fund and Bank in London on September 11, Hugh Dalton, Chancellor of the Exchequer, noted that "events had overrun all our calculations." He thought that ways might be found whereby these organizations could help prevent "an economic catastrophe which, if it is once allowed to begin, would soon engulf us all."

The dilemma of the Bank was neatly put in the annual report presented by its president John J. McCloy, of the United States. This document pointed out that food and fuel were vitally needed in Europe to achieve full productivity, but the Bank had not the authority or resources to become the emergency lender. Although its legal loan capacity is about \$9 billion, the Bank's cash dollar supply is now less than \$1 billion, and \$497 million has already been earmarked for four European members. Other parts of the world are also claimants on the Bank's funds, which today are limited by the sale of its debentures to private American investors. The report noted, moreover, that external aid could at best be only "a small percentage of the total effort" needed to reconstruct European economy, for which basic financial reforms and much more coordinated self-help are indispensable. In effect, therefore, the Bank's appraisal supports the position taken by State Department spokesmen, who have advised the sixteen-nation Paris conference that there must be full use of local resources through coordinated self-help.

HAROLD H. HUTCHESON

becomes especially important at a moment when growing economic stringency throughout the world sharpens latent political conflicts. In Europe the various Communist parties are capitalizing on economic maladjustments in the hope of dislodging middle-of-the-road governments led by Socialists ranging from Marxism to Catholicism in inspiration. The intensity of recent Communist activities, however, is in itself an indication that, in spite of grave economic dislocations and profound post-war fatigue, the peoples of Europe are reluctant to consider political totalitarianism as the way out of problems which sometimes seem insoluble. This is proving particularly true of those countries which in the past have had experience with democratic institutions and, having fought Nazism to the bitter end, find it impossible to accept the political dictatorship of communism. At the same time, it is essential to realize in this country

that economic and social conditions which offer fertile soil for Communist propaganda can be corrected only by fundamental reforms, not by mere opposition to communism. Many Europeans irrevocably opposed to the political aspects of communism share some of the Communists' ideas on the need for thorough overhauling of production and distribution.

In Britain the Labor government has so far withstood the vigorous criticisms to which it has been subjected both at home and in the United States, and Labor party candidates continue to win by-elections, most recently in an industrial section of Liverpool. Informed observers believe that the Labor government, although faced by conflicts between the right- and left-wing elements among its supporters, is firmly entrenched; that the Conservatives have no program that offers an effective alternative to that of Labor; and that if the Conservatives were at the helm today Britain would be faced by far greater unrest among workers, especially in the coal mines.

In France economic difficulties due to an unusually poor harvest, failures in distribution, and lack of raw materials, foster unrest and a feeling that new leadership is needed to assure recovery. Most reports agree, however, that communism is losing ground, that General de Gaulle, although still personally very popular, has little chance of becoming France's new chief; and that the French people are increasingly weary of *étatisme*, or state direction of economy. Socialist Premier Ramadier, in spite of unrelenting pressure both from de Gaulle forces and from the Communists, as well as strictures by left-wing elements in his own party, has so far succeeded in walking the tightrope of French politics with surprising skill. In Italy a wave of strikes, both in agriculture and industry, has been accompanied by violent attacks against the United States on the part of Palmiro Togliatti, leader of the Communist party, who is openly trying to undermine the government of Christian Democratic Premier Alcide de Gasperi. Although Italy is showing a remarkable measure of economic recovery, it is faced by grave shortages of food and fuel and by rising prices, which cause discontent with or without Communist agitation. Moreover, intervention in Italian politics by the Vatican gives extremist Leftists occasion to denounce the de Gasperi government as a tool of the Church.

**RESISTANCE TO COMMUNISM.** Events in Hungary and Bulgaria indicate that even in areas where the Soviet government is in full control and able to use military force to back up its policies, Communist methods of suppressing opposition continue to be resisted. The Hungarian elections of August 31, in which an estimated 500,000 voters were excluded by the Communists, resulted in a gain of

only 4.8 per cent for the Communist party, but marked a major defeat for the Small Landholders who in 1945 had won 57 per cent of the votes. The final percentages of the vote, as published in Budapest on September 11, were: Communists 22.3 per cent; People's Democrats, 16.4 per cent; Small Landholders, 15.4 per cent (subsequently increased to 20.6 per cent through absorption of the 5.2 per cent won by the party of Father Balogh, a Catholic priest); Socialists, 14.9 per cent; and the Independence party of Zoltan Pfeiffer (composed of Rightist elements among Small Landholders), 13.4 per cent. The most interesting development was the emergence of the hitherto little-known Democratic People's party in which a Catholic newspaper man, Istvan Barankovic, rallied Hungarians opposed both to the Communists and the Small Landholders on a program described as "Christian and progressive."

In Bulgaria the death sentence pronounced by a special tribunal on August 16 against Nicholas Petkov, leader of the Agrarian Union, opposition party, on the charge that he had conspired to overthrow the Communist-dominated Fatherland Front government, brought several sharp notes of protest from the United States and Britain, all rejected by the Soviet authorities. According to on-the-spot reports from Sofia, Bulgarians who support Petkov have turned, surprising as it may seem to us, against the United States rather than against Russia, on the ground that this country, in spite of its proclaimed policy of opposing Russia and communism, is ineffective in aiding its well-wishers within the Russian orbit.

**WHOM CAN WE HELP?** Current political developments in Europe present three main problems for the United States. We must help devise a program of immediate aid to the shaken European economies as envisaged in the "Marshall Plan," provided greater efforts are made to develop production and trade on the continent. We must consider the question of giving effective aid to those who support the ideas of the United States in European countries within the Russian orbit. If that is politically impossible, then we should face the fact that our intervention on their behalf against Russia may be doing them more harm than good. And we must accept the fact that, for the time being at least, the governments we are trying to help are for the most part Socialist in inspiration. If, as suggested by Harold E. Stassen on September 9, we are not to give aid to Socialist governments, then this means that there will probably be no one in Europe for us to aid—for there is no prospect at the present moment of a return to Rightist governments, nor is it conceivable that such governments, even if available, would be friendly to the United States.

VERA MICHELES DEAN



## EWES APPEAL TO U.N. FOR UNIFICATION

LOMÉ, FRENCH TOGOLAND—Next month in Lomé the Ewe-speaking peoples of French Togoland, British Togoland and the Gold Coast expect to hold a special conference to demand unification of these three territories. This attempt to bring pressure on the French government has been timed to occur shortly before the November meeting of the United Nations Trusteeship Council which is scheduled to discuss the Ewe petition for unification of Eweland under a single administrative authority to be chosen by popular plebiscite. Despite the cautious wording of their petition, the Ewes have raised an extremely difficult political issue because their real aim is to end French rule in the trust territory of French Togoland, and to unify the three Ewe-speaking areas under British trusteeship. (The Gold Coast is a British colony and British Togoland is a trust territory).

WHAT IS EWELAND? The Ewes claim about 1,000,000 people living in an area of approximately 10,000 square miles, which stretches for eighty miles along the West African coast between the River Volta in the Gold Coast and the River Mono in French Togoland, and has as its northern border the uplands called the Togo ranges. The origins of the Ewe people are obscure. The first Ewe grammar was published in 1856 by a German missionary in Togoland and the Bible has been translated into Ewe.

Ewe leaders contend that the unification movement has deep racial, cultural and historical roots. They charge that the three partitions of Eweland by European powers in 1884, 1914 and 1919 were arbitrary and unjust, cutting across village and family lines without regard for the interests of the inhabitants. If tribal disunity already existed in Eweland, the Ewes point out, it was a natural result of Slave Coast days when Ewe villages plundered each other in the quest for captives to sell to European slave traders.

ECONOMIC AIMS. Probably more important as a cause for the Ewe movement is the economic motive. British Ewes are more prosperous than most of those in French Togoland. The Ewes contend that frontier regulations restrict the trade of a natural economic unit, and the merchants of Lomé are irritated by the French licensing system which, contrary to British practice, requires the payment of fees for engaging in most business activities. Lomé has a good harbor and is a natural outlet for the produce of Eweland, while Accra, capital of the Gold Coast, has no dock facilities, and is cut off by the River

Volta over which goods from Eweland have to be ferried. Finally, British Eweland has no railroads but Lomé is the terminus of two small lines. The French today allow the British Togoland cocoa crop to be sent duty free by motor lorry to Palimé, and thence by rail to Lomé.

ORIGINS OF EWE MOVEMENT. Although the Ewes have made previous efforts to organize themselves, the present movement dates from the war. Its outstanding leader is Daniel Chapman, a former teacher at Achimota College in the Gold Coast who in May 1945 began the monthly publication of *The Ewe News-Letter*, and has since become a member of the trusteeship division of the United Nations Secretariat. In Lomé, another Ewe journal, *Le Guide du Togo*, has been published semi-monthly since April 1947. Although Ewe leaders claim overwhelming support, the fact is that less than 5 per cent of the people are educated enough to understand the movement. It seems true, however, that most of this literate class supports unification. In British territory the leading African chiefs agree with the intelligentsia, and the Ewes also contend that they have the support of most French Togoland chiefs. This claim is contested by an opposition party in French Togoland which, since October 1946, has published a journal entitled *Le Progrès*. The Progress party points out that Lomé has changed hands three times in the lifetime of one generation, and argues that a fourth change would represent a step backward. Ewes assert that the opposition leaders are mostly government officials, while the latter contend that the Ewe organizers are merchants seeking personal gain. In any case, at the first conference of Ewe chiefs, held at Tsito, British Togoland, on August 3, only 17 of nearly 200 official delegates came from French Togoland. On the other hand, in the November 10, 1946 election for the French National Assembly, the Ewe party's candidate defeated the nominee of the Progress party by a vote of 4,726 to 1,637.

French officials think the Ewe movement is an artificial creation doomed to die an early death for lack of real support. Other observers, however, believe that unless steps are taken to consider Ewe demands, the unification movement will grow in strength. In view of these contradictory claims, the Trusteeship Council would be well advised to send an investigating mission here to ascertain the facts.

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FOREIGN POLICY BULLETIN. Vol. XXVI, No. 49, SEPTEMBER 19, 1947. Published weekly by the Foreign Policy Association, Incorporated. National Headquarters, 22 East 38th Street, New York 16, N. Y. BROOKS EMENY, *President*; HELEN M. DAGGETT, *Secretary*; VERA MICHELES DEAN, *Editor*. Entered as second-class matter December 2, 1921, at the Post Office at New York, N. Y., under the Act of March 3, 1879. Four Dollars a Year. Please allow at least one month for change of address on membership publications.

F. P. A. Membership (which includes the Bulletin), Six Dollars a Year  
Produced under union conditions and composed and printed by union labor.